

## **SUMMARY SHEET**

Because there exists a disproportionably high rate of foreclosures in Shelby County including some of the larger Memphis area ethnic minority communities that have been caused substantially by unlawful, irresponsible, unfair, deceptive and discriminatory lending practices of certain national financial institutions and mortgage lenders, the City of Memphis and the County of Shelby in conjunction with the Memphis Area Legal Services are interested in pursuing litigation against these lending institutions.

The purpose of this litigation would be to both obtain injunctive relief to stop foreclosures at the current time and going forward, and to obtain some financial relief for the citizens, the City of Memphis, and Shelby County for the damages to local governments relative to these predatory lending practices.

Other cities and local governments have filed these types of lawsuits such as Baltimore, San Diego, Cleveland and Birmingham. The Tennessee Attorney General has been in communication with the Shelby County Mayor regarding this type of litigation and has been invited to join in with Memphis and Shelby County and Memphis Area Legal Services in participating in the litigation. No decision has been made by the Attorney General's Office at this time relative to their participation.

This resolution approves the Complaint as required by the resolution adopted as Item No. 25 on December 22, 2008 and also provides authorization to engage by contract appropriate outside counsel willing and prepared to immediately enter into a contingency-fee agreement with Shelby County, by and through its County Attorney, to swiftly initiate litigation and to vigorously prosecute an action of any form at trial in any forum, including interlocutory appeals, if any, against any and all predatory national mortgage lenders. This resolution also provides authorization to engage a non-profit organization that provides legal services, to provide in-kind services to such non-profit organization from the County Attorney's Office in the formulation of prosecuting of such litigation; and to pay a portion of the reasonable fees, costs and expenses incurred by the non-profit organization if necessary. Pursuant to this resolution, the County Attorney's Office is still required to continually report progress relative to this litigation to the County Commission.